

From: Michael Casteel
To: Microsoft ATR
Date: 1/24/02 1:34am
Subject: Microsoft Settlement

I am a software professional who owned a sizable software company (not a competitor to Microsoft) for 20 years, giving me considerable exposure to and experience in the software market. I agree with the editor of eWeek, a computer trade periodical, that "...the proposed settlement of the United States of America and nine states vs. Microsoft is as toothless as the consent decree of 1995. Microsoft again must make only nominal behavior changes. In return, it gains legal protection for many practices that landed it in court." From the viewpoint of this software professional, the proposed settlement is an unfunny joke, and it should be rejected as counter to the public interest.

1. This agreement seems to permit Microsoft to continue to impede third-party products that sold less than 1-million units the year before. This simply permits Microsoft to impede innovation. New, innovative products often sell fewer than 1-million units in their early years.
2. The agreement appears to permit Microsoft to keep secret APIs that "compromise the security of ... anti-piracy, anti-virus, software licensing, digital rights management, encryption or authentication systems". This means that competition and innovation will continue to be stifled in areas such as multimedia, e-commerce, messaging and file sharing, while Microsoft's monopoly power will continue to be enhanced.
3. The agreement specifically excludes servers, PDAs and handhelds, and maybe tablet PCs. This leaves Microsoft free to continue to leverage its desktop monopoly in order to impede competition and innovation in these areas, which are not yet monopolized by Microsoft.
4. The agreement seems to give Microsoft legal protection to add whatever it wishes to its operating systems. These terms will unbridle Microsoft to freely use its monopoly power to crush any future innovative competition in the same way it crushed Netscape. This would entitle them to bundle a clone of any innovative technology which becomes popular with the 'operating system' for 'free' and thus cut off the innovator's revenue stream. In Mr. Gates' words, their 'air supply'. Then, Microsoft can continue to sell upgrades to the new, expanded 'operating system' in order to capture that revenue.
5. Finally, where is the penalty for their past illegal behavior?

Microsoft's monopoly abuse has in the past impeded innovation by crushing (and thus making examples of) innovators such as Netscape. The industry, and the public interest, benefit from *more* innovators in software, not fewer. Please, even if you do not extract a penalty for past abuses, do something to prevent Microsoft from continuing to abuse its monopoly position by stifling competition. Most of the innovation in our industry comes from outside Microsoft. Failing to restrain Microsoft will cause our industry, and the public interest, to suffer.

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